



findependent Market Report - 2025

Review of Q3 2025

The past three months brought investors pleasing returns. This is remarkable, especially given the upheaval the world is currently experiencing.

A look at the daily headlines often gives the impression that the state of the world is steadily deteriorating. Our perspective as investors offers a counterpoint below – along with our thoughts on how best to respond.

Review

Our main asset classes delivered the following performance in Q3 (in CHF):

- Gold +16.7%
- Global equities +6.6%
- Swiss equities +1.1%
- Swiss real estate funds +0.9%
- Swiss government bonds (3–7 years) +0.9%
- CHF corporate bonds +0.6%

As a result, the value of findependent portfolios that stayed fully invested increased.

The sharp rise in the value of gold and other precious metals stands out. In times of heightened geopolitical uncertainty, it is hardly surprising that both private and institutional investors — including central banks, sovereign wealth funds, and pension funds — show strong interest in “the” anchor of stability. Global equities also performed particularly well, largely driven by expectations around the massive infrastructure build-out for AI applications by some US firms. The value of Swiss assets rose slightly.

Assessment

We believe that daily media headlines often provide a one-sided picture of world events.

Research shows that media tend to report with a negative bias – highlighting negative events disproportionately or portraying them more dramatically than they actually are. Such news attracts more attention, as it sparks fear, worry, and curiosity. For journalists, this translates into higher circulation (or clicks), which in turn boosts advertising and revenue potential.

Looking at the most discussed global topics in the media over the past three months, it's no surprise that bad news tends to dominate:

- The ongoing wars (especially in Ukraine and the Middle East) and the increase in hybrid warfare by Russia against Europe.
- The humanitarian crises (particularly in Gaza) and issues around migration (e.g., mass protests in the UK).
- The US tariff policy with its puzzling tariff rates (e.g., 39% on Swiss goods) as well as the threat of additional tariffs on pharmaceuticals.
- The attack on the independence of the US Federal Reserve by the Trump administration, raising the risk of a devaluation of the US dollar.
- The rapid development and spread of AI applications, which bring both opportunities and concerns.

Of course, the above list is not exhaustive and reflects the perspective of a Swiss observer. On a local level, countless other issues also worry people and reinforce the impression that the world is increasingly off balance.

We are convinced that it would be a mistake for investors to let the daily news cycle directly influence their investment strategy. More than that, looking at the world through the investor's lens provides an interesting counterpoint.

What do we mean by that?

Away from the headlines, countless advances are constantly taking place – at universities, in SMEs, in large corporations, or even at home. It's entirely possible that, right now, a group of friends in some random bar is having a "crazy idea" that could end up making the world a better place.

In other words, this relentless drive for "higher, faster, further" is happening everywhere, across all fields, all the time. It continually improves the world we live in — even if we read, hear, or see little of it.

If we weren't wired to react more strongly to negative news, then the daily headlines might have focused more on the following events from the past three months:

- Leading IT firms are almost daily announcing plans to expand their data center capacity – laying the groundwork for entirely new industries and countless new products and services
- Researchers at the German Cancer Research Center recently developed an AI model capable of predicting, for each individual, the risk of more than 1,000 diseases over a period of more than a decade
- Austria and Italy recently reported the breakthrough at the Brenner tunnel, soon to become the world's longest railway tunnel at 64 km
- The International Energy Agency now estimates that renewable energy sources will overtake coal as the world's most important energy source as early as next year
- ... and finally: Zurich voters recently approved a ban on petrol-powered leaf blowers

What does this mean for investors?

We assume that the last headline has no impact on stock markets. But the same is true for almost all of the seemingly grave daily reports of misfortune.

Take the example of the Swiss equity ETF that tracks the broad SPI Index. As an investor, you are not simply buying a product with a clever name. No – you acquire a small stake in all 200 companies included in the ETF. From that point on, you participate in the success of all these firms, which includes regular dividend payments as well as the opportunity to benefit, in the long term (we're talking decades, not days or months), from the value growth of these companies.

Of course, not every company will prosper. Some fall behind in competition and need to reinvent themselves. Some even disappear. On the other hand, new firms emerge and the performance of leading companies keeps improving. The latter are run by some of the best managers, who continuously solve problems such as coping with new US tariffs. Their R&D departments create more and better products and services that make life easier for all of us. If this leads to higher profits, their share prices rise over time.

Those who invest wisely and diversify across the world's leading companies can remain calm in the face of the daily flood of news. In the long run, negative headlines in particular have little relevance for investment performance. The daily "twitches" of the stock market are simply irrelevant.

One of our favorite statistics illustrates this best. Pictet, a Geneva-based financial institution, has tracked the returns of all Swiss equities since 1926. A lot has happened in the world over that time – unfortunately, including many severe crises that were widely reported. But often forgotten is how many companies went through rapid growth due to the constant drive for improvement. Those who stayed invested achieved a gross return of 7.7% per year with Swiss equities over nearly 100 years. Those who invested cost-effectively were still able to achieve a return of more than 7% per year after costs. That means a doubling of value roughly every 10 years.

In short: don't stress. Just let your investments do the work.

Outlook

We don't make predictions. Our approach remains simple:
Invest for the long term, diversify broadly, and keep costs low.

